

1 definitions are, who can call whom to increase capacity and
2 on what basis and under what pricing scenarios, I think
3 you'll just see capital, you know, flying away from the
4 sector as quickly as possible.

5 Certainly the investment, you know, the public
6 investing world will draw capital away and then typically
7 private equity tends to follow that, as well.

8 So I think it all depends how you define it and
9 what you're ultimately after.

10 DOCTOR DAVID GABEL: Any other questions from the
11 panel?

12 THE HONORABLE BRETT A. PERLMAN: I guess as I look
13 at the day in which I thought was very, very interesting, I
14 draw a couple of conclusions.

15 One, it's not here yet, in any great extent.

16 Two, it's coming for at least 70 to 80 percent of
17 customers. It being either ADSL or cable.

18 And, three, for those who are in the 20 percent, I
19 don't know if the panel -- well, first, does the panel agree
20 with those two conclusions?

21 And, third, for the 20 percent, are there policy
22 recommendations that we need to deal with in order to
23 surmount the cost that several of speakers have mentioned?

24 MR. TODD JACOBS: I agree with your overall
25 statistics. I think that, you know, wireless is going to be

1 one of the possible solutions for rural, as we mentioned
2 before. But, again, the reality is, you know, will they get
3 -- will wireless make it out there? Will it be priced on an
4 affordable basis? Will there be more than one type of
5 technology available in the rural areas?

6 All of that -- natural economics would sort of
7 tell you not, because even with wireless, even though it's
8 cheaper to put wireless infrastructure in a rural area than
9 it is wire line, it's still very much driven by density in
10 terms of the piece that is a fixed expenditure.

11 So the reality, I think that the only way that
12 you're really going to get strong incentive is basically by,
13 you know, pushing some sorts of subsidy funds through either
14 -- you know, through universal service or something like
15 that.

16 That's not necessarily my bailiwick to know that
17 the ins and outs of what you're going to do with USF. But,
18 I mean, to the extent that you could make available funding
19 for carriers to basically, you know, compete for in those
20 arenas, that's what's going to basically take it out in that
21 direction. I think, short of that, it's going to be
22 difficult.

23 THE HONORABLE MICHAEL K. POWELL: Isn't part of
24 the statistics you show the possibility that, as a
25 technological matter, the existing infrastructures might not

1 reach some nontrivial percentage? And that's not just a
2 question of subsidization potential, unless you're prepared
3 to subsidize complete new infrastructure build.

4 But the thing I haven't seen in data, for example,
5 yet, is to what extent the DSL potentiality and cable
6 overlap or don't. There will be places, I assume, that can
7 have DSL, will not get cable; and places who will get cable
8 that won't get DSL.

9 Have you ever tried to disaggregate data, so we
10 know what percentage of customers will have some alternative
11 versus both?

12 DR. WILLIAM LEHR: We've love to do that. The
13 problem is that the data just is really, really not there.

14 For some of these really hard to reach rural
15 areas, I agree with Todd that the wireless solutions -- it
16 was a whole lot of different flavors for how you would do
17 that, a certain hot contact point. There are a lot of
18 different ways you can address that.

19 The other thing is, I think, as the 80 percent of
20 the market actually develops and we find out what people
21 really want these services for and how much bandwidth is
22 enough, and if we do whatever you need, there's a lot of
23 bandwidth coming downstream and they really don't need a lot
24 of bandwidth going upstream.

25 You don't need a lot of bandwidth if what you want

1 to do is two-way voice. You can do that over a 56-kilobit
2 modem today and have really good quality.

3 The reason you don't get good quality is because
4 on the back end, it's going through the internet or because
5 of problems with the software and things like that.

6 So the bandwidth requirements for the current
7 state of applications, it's not clear how much bandwidth you
8 really have to have.

9 We at MIT would like to see that decisions aren't
10 made on the basis of we know what the applications that
11 people are going to want to use tomorrow are going to be.

12 DOCTOR DAVID GABEL: I'm going to move away from
13 being the Moderator and comment here.

14 First, on my data set it will tell you at a
15 particular location, is cable modem service available and
16 xDSL service available? So we already make that distinction
17 when -- so that kind of information we have collected on the
18 national basis.

19 On the issue of the roll out to the other
20 20 percent of the nation, I think what I would be most
21 optimist about is the possibility of the satellite providers
22 providing two-way transmission.

23 There is already ubiquitous service available on a
24 one-way basis, and the satellite companies know that what's
25 preventing them from capturing a larger share of the market

1 is the ability to receive and transmit, and that's --
2 they've made the announcements that the service will be
3 available by the end of the year, and we'll just have to
4 wait to see if that's vaporware or if that, in fact, comes
5 to fruition.

6 So we'll take one question from the audience, then
7 we'll break for lunch.

8 FROM THE AUDIENCE: I've got a question for Victor
9 Glass.

10 Victor, you had a cartoon on you slide that showed
11 -- sweat pouring off his brow and somebody shaking a finger
12 at him. I'm not sure who is who in your cartoon.

13 (Laughter.)

14 DOCTOR VICTOR GLASS: Well, I didn't make up those
15 graphics, but the basic idea is that although it's going to
16 be difficult, the rural telephone companies are going to get
17 the job done.

18 FROM THE AUDIENCE: So does the cartoon mean that
19 is the rural phone company the fellow that is sweating; and,
20 if so, who's hollering at him? Is it the originator or the
21 state regulatory?

22 DOCTOR VICTOR GLASS: Well, I can tell you that
23 the rural telephone companies are pretty dissatisfied, and
24 we're on the record, as being annoyed that the USF fund,
25 which was supposed to provide universal service for plain

1 old telephone service has been capped.

2 And there's also, you know, unease about the new
3 universal service plans that have been developed for
4 nonrural telephone companies, the big companies, where if
5 you look at the funding, most of it comes from hold harmless
6 dollars instead of the new model generated funding.

7 And we've done some analysis on that internally
8 and supplied it to our telephone companies, which show that
9 if that model were extended to our own pool members, our
10 clients, if they had the same three-year period for hold
11 harmless, they would lose a great deal of their funding, if
12 they were put into that exact program, where there's
13 statewide funding and then distributed among telephone
14 companies within the state.

15 So, yes, the rural telephone companies are
16 sweating when it comes to the universal service funds.

17 DOCTOR DAVID GABEL: Actually, we have time, I've
18 been informed, for one more question.

19 Is there anybody else in the audience who would
20 like to pose a question to the panel?

21 That being ---

22 THE HONORABLE BRETT A. PERLMAN: I'll try one.

23 This panel was really entitled Data Gathering
24 Initiatives, and I'd like to ask some of the data gatherers
25 what additional data do we need to collect, if you could

1 wave your magic wand?

2 DOCTOR WILLIAM LEHR: When we started our study,
3 we were originally thinking, well, we'll go buy this or
4 we'll get it from someone that already has it, and then
5 realized we wanted to test some basic assumptions we had.
6 And we found that no one really even had it available, even
7 if you wanted to buy it. And it was extremely expensive to
8 put it together.

9 Now there's a lot of people in the business,
10 there's a lot of marketing research reports, folks that are
11 tracking it on the availability side.

12 The really hard thing is going to be questions
13 about penetration, and that kind of data is going to be
14 really sensitive. And I think you're probably going to have
15 to rely on some aggregate data on that that the FCC would
16 collect, but supplemented by, you know, targeted studies,
17 you know, where someone like David Gabel is going out and is
18 selecting a bunch of communities that are statistically
19 representative, and then also local studies.

20 So, for example, we're working with the
21 Massachusetts Technology Collaborative to try to look more
22 carefully about what's actually happened in Massachusetts to
23 get a sense of it.

24 THE HONORABLE BRETT A. PERLMAN: Is there a role
25 for perhaps either the state commissions or the -- I'm

1 sorry.

2 DOCTOR DAVID GABEL: You have two more that wanted
3 to respond.

4 THE HONORABLE BRETT A. PERLMAN: Well, let me just
5 add this. Is there a role for the state commissions or the
6 FCC to formulate a sort of best practices that could then be
7 implemented in the various ---

8 DOCTOR WILLIAM LEHR: Absolutely. I think this
9 whole meeting is very much a part of what really needs to
10 happen. It's going to take cooperation amongst industry,
11 the academics, municipal, state and federal regulators, all
12 sharing and cooperating in the research.

13 There's a lot more stuff, we can use the web to do
14 a lot of this and to share this information, but to make it
15 comparable and all that, there's definitely -- a lot of it
16 has to be done at a more local level. It can't be done by
17 FCC.

18 TODD JACOBS: I would just say that there are sort
19 of two elements that are missing. It's interesting, if you
20 look at a company like Bell Atlantic, which should in theory
21 be able to roll this service out dramatically faster than
22 all of its brethren, based upon the length of its access
23 lines and presence of digital carrier.

24 When you look in reality, Bell Atlantic has been
25 woefully slow to let these services actually roll out there.

1 They've been having tremendous problems.

2 I think there are two issues which are almost
3 impossible to get our arms around, one of which potentially
4 you could get reporting on. And, that is, in addition to
5 loop links and digital loop carriers, what other types of
6 things have been done to the lines over the years in terms
7 of splicing and dicing and all the rest of the things done
8 by technicians that have made it impossible to roll this
9 stuff out, if you could get your arms around that.

10 And, two, and this is the softer issue, but maybe
11 the more important one, to what extent are simply the
12 systems, billing and provisioning systems, making it
13 impossible for companies actually to roll this stuff out,
14 even if physically the lines could take it, because there's
15 a pretty enormous disconnect between what should be the
16 availability and what truly is the availability at this
17 point.

18 DOCTOR VICTOR GLASS: And I want to answer in two
19 parts.

20 And the first one, about the infrastructure
21 upgrade. We've conducted a study and we've actually
22 gathered engineers who've helped us develop a data request,
23 and we've gone out to companies that have actually upgraded
24 and used some of their wire centers, and then we used
25 statistical techniques to find out the rest of our pool

1 membership, what percent of their wire centers and where
2 have been upgraded.

3 So we've gone through and collected the data
4 ourselves, primary data, to see what the cost of upgrading
5 is.

6 The second point that I'd like to make is that
7 there are a lot of data requests out there. Small telephone
8 companies spend a lot of time and dollars on filling these
9 out, and to have additional studies come to them may not be
10 something that they would really favor.

11 There are other channels. For example, we collect
12 a lot of data, and it may be in the course of doing
13 business, we could collect additional information.

14 But it's difficult for these telephone companies
15 to have all these data requests thrown at them, and some of
16 these companies only have a few employees.

17 DOCTOR DAVID GABEL: Thank you.

18 We are now going to break for lunch. I understand
19 lunch is around this corner to my left.

20 We will try to begin again around 1:30, so that we
21 can still complete the program on schedule.

22 (Whereupon, the luncheon recess was taken.)

23 //

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25 //

1 A F T E R N O O N S E S S I O N

2 Panel Presentation II - Public/Private Partnerships

3 MR. PAUL VASINGTON: Good afternoon.

4 I'd like to start out the afternoon session with
5 our second panel. My name is Paul Vasington. I'm a
6 Commissioner with the Massachusetts Department of
7 Telecommunications & Energy.

8 I'd like to welcome you here to Massachusetts, the
9 Commonwealth, on behalf of Governor Cellucci and Lieutenant
10 Governor Jane Swift, to this very important hearing here.

11 We have a panel on Public/Private Partnerships.

12 But before we do that, I just want to note two
13 other distinguished guests we have here with us today, who
14 weren't here when we were doing the introductions earlier,
15 and that is two other Massachusetts Commissioners.

16 We have our newest Commissioner, Diedra Manning,
17 over here, and we also have Commissioner Gene Sullivan.

18 Commissioner Manning just started about a month
19 ago and has brought a real dignified and civilized presence
20 to the Commission, which is good, because it offsets
21 Commissioner Sullivan's contributions.

22 (Laughter.)

23 MR. PAUL VASINGTON: Sorry, Gene.

24 The panelists in our Public/Private Partnership
25 session are Joseph Alviani of the Massachusetts Technology

1 Collaborative, Jim Doyle, Maine Governor's Office on ATM
2 Networking, Eugene Curry of the Cape Cod Technology Council,
3 Charles Podesta of Berkshire Connect, and Ray Campbell of
4 Massachusetts Corporation for Educational
5 Telecommunications.

6 The way I'd like to set it up is first turn to Joe
7 Alviani, who has really taken a leadership role in working
8 on public/private partnerships in Massachusetts and working
9 with Berkshire Connect and Cape Cod Connect, and solving
10 some of the problems that you heard about this morning in
11 the Data Gathering Initiatives Panel; and then we'll move to
12 Ray Campbell; and then to make sure it's not entirely a
13 Massachusetts eccentric thing, we'll finish off with Jim
14 Doyle of the Maine Governor's Office; and then we'll
15 hopefully have an opportunity for questions, first from the
16 panelists, and then from the audience.

17 I won't go through the list of all the speakers'
18 accomplishments, because that would take up the whole
19 session. They're all in the handouts that you have, so I'll
20 introduce, first, Joe Alviani.

21 Joe.

22 MR. JOSEPH ALVIANI: Paul, thank you.

23 I understand it's not going to violate protocol if
24 I do it right from this seat, so I think that would be
25 preferable, and welcome to Commissioners Powell and Perlman.

1 I think it's fair, by the way, to say that
2 compared to this morning's panel, I'll characterize this
3 session as the soft -- section. You may notice that there
4 will be far fewer overheads in this section, and what we'll
5 try to do is present a little bit about what we're doing in
6 Massachusetts and elsewhere in the area of public/private
7 partnership.

8 Six years ago, when we created the Massachusetts
9 Technology Collaborative, few people would have predicted
10 that telecommunications infrastructure would be so critical
11 an element of vibrant economic growth so quickly. Yet
12 that's exactly what's happened here in Massachusetts, and
13 we've really benefitted in a couple of ways.

14 First, our companies are leaders in the use of
15 internet technology and E-commerce and other applications.

16 And, secondly, Massachusetts businesses continue
17 to be leaders in the development of internet technology.

18 Indeed, right here in the Greater Lowell Area,
19 here is now a center of world class data communication
20 technology firms that include companies like Sycamore
21 Networks operating alongside long-time corporate citizens
22 like Lucent Technologies, and joined lately by the
23 continuing and heavy presence of Cisco Systems.

24 Yet, despite this level of very intense activity
25 generated by internet, industries in Greater Boston and many

1 communities in Massachusetts have not yet been able to
2 participate in the new economy, despite our comparable small
3 size, several regions of the state can still be
4 characterized as backwaters when new telecommunications
5 investment is concerned.

6 Results from an informal survey done by MTC
7 indicate that about 160 out of 351 cities and towns in
8 Massachusetts are not yet served by either DSL or by cable
9 modem. These regions are still largely dependent upon the
10 monopoly service provided by the incumbent telephone
11 company.

12 Businesses in these regions still face high
13 charges when they need to introduce high-speed communication
14 lines that will enable them to move substantial amounts of
15 data.

16 The forefront of that scenario is one of
17 extraordinary and accelerating investment in new broadband
18 systems in another part of our state.

19 According to our survey some 164 communities in
20 Massachusetts currently are served by anywhere from one to
21 five DSL providers with more than a dozen individual DSL
22 providers or resellers currently active in the state.

23 About 145 communities have cable modem access and
24 five of these have two or more competing cable modem
25 providers.

1 So the challenge for us in the Commonwealth then
2 is, as elsewhere in the country, is somehow to leverage the
3 rapid reinvestment in broadband systems enjoyed by some of
4 our communities into extension of service to all.

5 Moreover, I think we need to do this in a way that
6 there's not a barrier or create disincentives that
7 inadvertently slow down private investment in broadband. At
8 MTC we've attempted to address this challenge to
9 public/private partnerships.

10 Let me note at the outset that whether our
11 experience demonstrates that public/private partnerships are
12 sufficient to ensure that all communities gain access to
13 broadband, will not be a question we answer definitively
14 today.

15 Massachusetts enjoys several advantages that makes
16 such partnerships more likely here than in other places.
17 For example, we are a comparatively small state with a
18 comparatively large telecommunications marketplace, doing
19 substantial part to our vibrant information technology in
20 huge financial services industries.

21 Moreover, our experience with public/private
22 partnerships in telecommunications is based on our
23 experience in two regions of the state that have proven to
24 be particularly attractive to internet entrepreneurs.

25 As both Dr. Podesta of Berkshire Medical Center

1 and Gene Curry of the Cape Cod Technology Council will tell
2 you, their regions have attracted entrepreneurs who want to
3 do their business in an area of the state where they love to
4 live, and the internet has finally given the Berkshires and
5 Cape Cod a way to break out of a historic and
6 disproportionate reliance on seasonal employment. Other
7 areas of the Commonwealth that are not as naturally
8 attractive to internet entrepreneurs will most likely have a
9 harder time building that internet economy.

10 But I can tell you that public/private
11 partnerships at the local level do work and are working in
12 Massachusetts to close the digital divide, giving the
13 dizzying rate of change in the telecon marketplace these
14 days, these partnerships may be the most effective and
15 reliable approach available to spread broadband service to
16 areas that the private market would otherwise overlook.

17 Berkshire Connect and Cape Cod Connect are two
18 cases in point.

19 Berkshire County and Cape Cod have created vibrant
20 partnerships to encourage high-speed internet access, thanks
21 to the new generation of internet and IT entrepreneurs who
22 have settled their families and businesses in both regions.
23 Some of these are native to the region, some are people who
24 have attended school here, some are people who are in summer
25 camp or enjoyed vacations in the Berkshire hills or Cape Cod

1 beaches. They are people who dreamed of moving to the
2 Berkshires or to the Cape, but never thought they could
3 pursue their careers or start businesses there.

4 The explosive growth of the internet changed that
5 prospect in the 1990s.

6 MTC became involved in both of these projects when
7 legislators and business leaders from the Berkshires and
8 from Cape Cod approached us in 1997 and '98 and asked us to
9 assist them in devising a strategy to accelerate
10 introduction of higher speed, lower cost, competitive
11 telecommunication services.

12 We took on that task as a strategic broker, one
13 roll for government and public/private partnerships. Our
14 job was to provide the tools and assistance for local
15 leaders to organize themselves, to provide them with a sound
16 base of accurate information on telecom issues, to identify
17 and define clearly their telecommunications needs in detail
18 and, when warranted, to survey the existing
19 telecommunications infrastructure.

20 Finally, we helped to identify private sector
21 providers of telecommunication services and to attract
22 attention to the potential marketplace.

23 In the case of Berkshire Connect, we not only
24 attracted the attention of outside providers, but also
25 assisted the Berkshire County leadership to aggregate their

1 demand and to bid out their telecommunication businesses to
2 providers.

3 And you'll hear both from Chuck and Gene in just a
4 moment.

5 What I'd like to do very briefly, however, and not
6 in any detail, is basically to list some of the lessons
7 learned from both the Berkshire Connect and Cape Cod
8 projects.

9 First, the power of education.

10 The sheer complexity of today's telecommunications
11 marketplace creates a huge need for good information that
12 can be delivered in plain English. Local partnerships must
13 have the means to educate themselves on the massive changes
14 underway in the telecommunications marketplace.

15 Local leaders need to assess those changes, since
16 only then can they determine the nature of the opportunity
17 presented in their particular area.

18 The most important contribution I feel we made to
19 local leaders in Berkshire County was our commitment to
20 bring in the technical talent from whom the Berkshire
21 Connect leadership could learn firsthand about the
22 telecommunications revolution. This effort turned the local
23 leadership into savvy customers and wiser negotiators.

24 Lesson No. 2, the power of good data.

25 As you heard from the first panel, good data and

1 the deployment of advanced telecom services must be a high
2 priority.

3 I grant you that we public policy makers are
4 always looking for more and better data, but in this case,
5 more and better data is a necessity.

6 The stakes are high enough, I think in this game,
7 that the public does need ways in which it can assess
8 whether the private market is responding to local needs and,
9 if not, why not?

10 Lesson No. 3, the power of aggregation.

11 We're very proud of the way in which Berkshire
12 County businesses have come together to form an affinity
13 group that is now obtaining services from Global Crossing
14 and its partner Equal Access Networks, Incorporated.

15 Customer aggregations for telecom are somewhat new
16 to Massachusetts, but not for the country, as a whole.
17 Aggregation is an old idea and it's still a good idea,
18 because it provides a demonstration in the marketplace of
19 just what kind of investment is warranted by the private
20 sector.

21 Lesson No. 4, the power of local competition.

22 Local partnership should be encourage to look at
23 any and all means of promoting local competition and
24 communication services and promoting sustained investment by
25 private carriers in all the new forms of communications

1 technology.

2 Our constituents in Berkshire County and on Cape
3 Cod told us many times that any short-term improvement in
4 their telecommunications services would be quickly nullified
5 if active competition did not come into the marketplace
6 right down to the local level.

7 They adopted a bias towards solutions that would
8 create a structural change in the local market. That kind
9 of attitude takes a certain amount of discipline among local
10 partners that might not always be realistic for all areas.
11 But in these two regions of Massachusetts we believe it is
12 paying off in better, faster service and cheaper prices.

13 Lesson No. 5, preserving technology neutrality.

14 New modes of broadband and new variations of
15 broadband delivery are being introduced in the market
16 everyday. It's a mistake to assume that any one solution is
17 the best for a given area.

18 Local partnerships should define their needs and
19 invite providers to meet those needs by whatever means makes
20 sense at the time.

21 No. 6, leveraging local and regional assets.

22 Customer aggregation is one form of leverage, as
23 I've discussed already. In a few moments my colleague, Ray
24 Campbell, who is Executive Director of MCET, will describe
25 how his agency is leveraging an aggregation of public school

1 and municipal users throughout the state to bring a new
2 statewide network for high-speed services into the
3 marketplace.

4 But leverage could also take other forms. A
5 public/private partnership in Springfield, Massachusetts,
6 the Telitcom Development Corporation, has leveraged the
7 city's proximity to fiber backbone in the interstate
8 highways to build a cluster of telecom and internet
9 dependent companies in the City of Springfield.

10 To sum up, local partnerships for broadband
11 service can work and are working in Massachusetts.
12 Ultimately they may not obviate the needs for stronger
13 action to ensure that all citizens and all neighborhoods
14 receive high-speed internet service, but I would not bet
15 against them.

16 With that, what I'd like to do is now turn to
17 Chuck Podesta from the Berkshire Connect project to give you
18 a little more detail about that particular activity.

19 MR. CHARLES PODESTA: Okay, thank you, Joe.

20 I'm also the Chief Information Officer for
21 Berkshire Health Systems and I've been involved with
22 Berkshire Connect since its inception in 1997, and I most
23 recently have been a steering committee member, along with
24 participating in the contract negotiations.

25 A little bit about Berkshire County. It's a

1 relatively long and narrow region, encompassing the
2 Housatonic and Hoosic River Valley in Western Massachusetts.
3 The Berkshires is the home to approximately 135,000 people,
4 most of whom reside in one of three population clusters: In
5 the north, in the North Adams area; centrally in Pittsfield,
6 and south, in the Great Barrington area.

7 Once the home of a thriving defense and
8 manufacturing base, the county, like much of New England,
9 has seen its share of plant closings and realignments.

10 Currently the Berkshires' economy is undergoing a
11 transformation from a 1920th Century industrial based
12 economy to a 21st Century services and knowledge based
13 economy.

14 The county is home to a growing number of new
15 media, arts and entertainment, and resort companies, also.

16 This new economy relies heavily on advance
17 communications to grow and sustain their businesses.

18 In 1997, the telecommunications infrastructure of
19 Berkshire County created a competitive disadvantage for us,
20 for its businesses and limited citizen access to a wealth of
21 opportunities and services made possible by advance
22 communications.

23 This was mainly due to four in-county variables.

24 No. 1, low population density and shrinking
25 population base.

1 No. 2, low business concentration.

2 No. 3, low mean income relative to the state
3 average.

4 And, No. 4, the cost of service was three to four
5 times higher than urban areas, such as Springfield,
6 Worcester and Boston.

7 Berkshire County was at a crossroads at this time.
8 While the public sector was saying to the private
9 telecommunications sector, build it and they will come; the
10 private telecommunications sector was saying, show me the
11 money.

12 We were truly the have nots in the digital divide.

13 As Joe stated earlier, in June of 1997, the
14 Berkshire legislative delegation, led by State
15 Representative Dan Bosley, partly in response to a decision
16 by Tripod to leave the county due to the high
17 telecommunication cost and poor services, contacted the
18 Berkshire Regional Planning Commission, and Berkshire
19 Connect was essentially born at that time.

20 With the full support of the delegation and the
21 support of Governor Paul Cellucci, Berkshire Connect
22 received a \$250,000 grant to begin the work.

23 A project task force committee was created from a
24 cross section of Berkshire County businesses, cultural
25 institutions, large businesses, public access organizations,

1 local business consultants and the chamber of commerce were
2 all represented.

3 The legislative delegation also asked and received
4 assistance from the Massachusetts Technology Collaborative
5 in addressing the information technology needs throughout
6 the county.

7 The initial charge of Berkshire Connect was to
8 examine and assess the current state of affairs and also to
9 propose a strategy for enhancing the Berkshires
10 telecommunications and information infrastructure and reduce
11 the cost.

12 To facilitate this complex process of needs
13 assessment, the task force was divided into a series of
14 formal subcommittees and ad hoc groups.

15 The groups included critical users, educational
16 users, cultural and art users, government and public service
17 users, and small business users.

18 The critical users subcommittee drove the
19 technology assessment activities of the task force. A
20 strategy emerged, consisting of the following: Identify the
21 region's advanced telecommunications and informations
22 services users.

23 And No. 2, to examine current telecommunications
24 infrastructure and identify near-term and long-term
25 opportunities.

1 At this time a survey was developed and the
2 results provided a demographic characterization of
3 respondents, a telecommunications market saturation and
4 technology assessment. It also allowed us to demand
5 aggregation, and also allowed us to identify future
6 telecommunication needs.

7 It's interesting to note that the details of this
8 survey, the respondents felt that they were definitely
9 underserved by the current infrastructure; that the internet
10 was critical to their survival; that state assets should be
11 applied to fix the problem; and also that 90 percent would
12 join a co-op if that would solve the problem.

13 This work was completed and in March of '98 a
14 steering committee was created to move the project into a
15 new phase.

16 Don Dubendorf of Grinnell Dubendorf & Smith
17 volunteered to lead the group. Berkshire Connect would not
18 shift work to the area of business planning and network
19 design.

20 At that time, all options were in play. Berkshire
21 Connect, we could privatize and we built the infrastructure
22 ourselves, using private dollars; we could form a nonprofit
23 co-op and build the infrastructure ourselves, using public
24 money; or we could partner with the private sector,
25 utilizing both public and private funds to build the